

**701—89.5 (422) Extension of time to file and pay the tax.****89.5(1) Automatic extension of time to file.**

*a. For tax years beginning on or after January 1, 1986.* An automatic two-month extension of time to file the fiduciary income tax return will be granted by the department if the requirements set out in subparagraphs (1) and (2) are met.

(1) Filing the extension application on or before the due date of the return. See subrule 89.4(8) for what constitutes timely filing.

(2) Payment of at least 90 percent of the tax by the due date. At least 90 percent of the tax required to be shown due must have been paid on or before the due date of the return. To determine whether or not 90 percent of the tax was “paid” on or before the due date, the aggregate amounts of tax credits applicable to the return plus the tax payments which were made on or before the due date are divided by the tax required to be shown due on the return. If the aggregate of the tax credits and the tax payments is equal to or greater than 90 percent of the tax required to be shown due, the taxpayer will have met the “90 percent” test and no penalty will be assessed.

If the time for filing is extended, interest as provided by law, from the date the return originally was required to be filed to the date of actual payment of the tax, is to be computed on the unpaid tax. See rule 701—10.2(421) for the statutory rate of interest commencing on or after January 1, 1982.

*b. For tax years beginning on or after January 1, 1991.* See 701—subrule 39.2(4).

**89.5(2) Additional extension of time to file beyond the automatic extension.** For tax years beginning on or after January 1, 1986. The department may grant an additional extension of time to file the fiduciary return, not to exceed four months, provided an application for additional time is filed prior to the expiration of the automatic extension of time.

**89.5(3) Extension of time for the decedent’s final tax return.** 701—subrule 39.2(4) which provides for extensions of time to file individual income tax returns will apply to the decedent’s final tax return.

**89.5(4) Form of application and place of filing.** The application for an extension of time to file the fiduciary income tax return must be made on forms prescribed by the director. The application must be filed with the department prior to the date the return is due, directed to the Compliance Division, Examination Section, P.O. Box 10456, Des Moines, Iowa 50306.

This rule is intended to implement Iowa Code section 422.21.